

Every duty which we  
obscures some truth which  
should have known.—Ruskin

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## Congress Passes Roosevelt's Federal Pay Reduction Bill

**\$125,000,000 Taken From Government Employees—Veteran Benefits Cut \$400,000,000—President Green of American Federation of Labor Oppose**

**Way Scheme—Stocks are**  
**Bonds Jump Up \$3,500,000.**  
**000,000.**

Washington.—Congress passed by a large majority President Roosevelt's recovery bill under which the Federal Government will reduce its cost of operation about \$25,500,000.

The measure authorizes the President to cut the wages and salaries of Government employees 15 per cent. By that means the Government will save \$15,000,000.

The bill also authorizes the President to

**Cost-of-Living Wages**

In addition the measure contains the provision that the pay of Government employees shall be determined by the cost-of-living index ascertained by the United States Department of Labor. This feature fixes by legislation a certain living standard for the employees of the Government, and prevents them from securing any of the benefits of the future rise in the cost of living, and the comforts, conveniences and luxuries of life made available by modern machine production.

**Stock and Bond Prices Increase**

York Stock Exchange that the \$325 million reduction in Federal pay and veterans' benefits was scheduled to pass Congress by a large vote, stock listed on the exchange increased in market price approximately \$2,500,000,000 and bonds jumped up \$1,000,000,000.

**Green Opposes Pay Slash**

The American Federation of Labor, through President William Green, opposed both the pay cut and the cost-of-living wage advance.

In conference with the President in a letter to the President after the conference, and at the hearing on the economy bill held by the Senate Finance Committee, Green pointed out in clear terms organized labor's view.

On the proposed pay cut of \$125,000,000, Mr. Green wrote the President as follows:

"I am sure in the conversation I held with you today, I earnestly hope that reduction in wages and salaries of Gov-

"I still entertain such a hope because I am certain that reduction in the wages and salaries of Government employees will serve to retard economic recovery through a curtailment of buying power far in excess of the actual amount saved to the Government through the imposition of any percentage of wage reduction which might be applied.

**Labor's Buying Power Reduced**

"It totals this amount after having made allowance for a reduction in the cost of living amounting to 22.7 per-

“Obviously, it would seem unwise, in the midst of the great national emergency which now exists, to depress the limited buying power of the masses of the people still further.

**Social Unrest Increased**

“Furthermore, I am apprehensive over the effect which a reduction in the salaries and wages of Government employees at this time will have on the management and ownership of industry

and salaries of Government employees will be followed by an imposition of further wage reductions on already impoverished employees associated with private industry.

"Such action, in my opinion, will serve to add to the social unrest and industrial discontent which now exists in the industrial sections of the Nation."

**Wage Theory Condemned**

Turning to the cost-of-living scheme for determining the pay of Government employees, Mr. Green's letter said:

explained to me was being considered as a sort of wage-rate barometer. If, would, I fear, create a disturbed state of mind along Government employees, and as a result, further limit the buying power.

"A stable, standardized wage is far more acceptable to all classes of wage earners and salaried employees than a changing wage, based upon the cost of living."

The House of Representatives passed the economy bill by a vote of 266 to 133. The Senate passed it with minor amendments by a vote of 62 to 13.

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**New York Minimum Wage Measure Goes to Senate**

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Albany, N. Y.—The Labor and Indus-

The Dunnigan bill would create a minimum wage system, but the only penalty it would provide for violators of the regulations would be the public

by Senator Albert D. Wald of New York City would make the application of the minimum wage rates mandatory.

It is said the sponsors for the legislation intend to have the bills adopted by both houses so that Governor Lehman could make a choice.

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## Postal Savings Deposits Jump in New York City

New York.—Deposits in the postal savings system here in one day were \$558,798, as against \$157,791 withdrawals. The postal savings system is owned by the United States Government.

ment. Deposits throughout the country total nearly a billion dollars. The Government pays two per cent interest and permits depositors to withdraw their funds in whole or in part at any time.